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BEFORE THE ARIZONA CORPORATION COMMISSION

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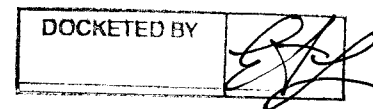
IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS ANTHEM
WATER DISTRICT AND ITS SUN CITY
WATER DISTRICT.

DOCKET NO. W-01303A-09-0343

Arizona Corporation Commission

DOCKETED

DEC 10 2014



IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS
ANTHEM/AGUA FRIA WASTEWATER
DISTRICT, ITS SUN CITY WASTEWATER
DISTRICT AND ITS SUN CITY WEST
WASTEWATER DISTRICT.

DOCKET NO. SW-01303A-09-0343

**RUSSELL RANCH HOMEOWNERS'
ASSOCIATION, INC.'S RESPONSE TO
COMMISSIONER BRENDA BURNS'
DECEMBER 2, 2014 LETTER**

The Russell Ranch Homeowners' Association, Inc. ("Russell Ranch") hereby
responds to the questions contained in Commissioner Brenda Burns' December 2, 2014,
letter to interested parties and stakeholders in this docket.

1. *Prior to the Settlement Agreement, what was your position on deconsolidation and consolidation? Were you in favor or opposed to full consolidation, full deconsolidation, partial consolidation or deconsolidation, or a reversal of the Anthem/Agua Fria deconsolidation? Other?*

Russell Ranch strongly supported the proposal by EPCOR Water Arizona, Inc. ("EPCOR") to fully consolidate its five wastewater districts as described in the pre-filed testimony of EPCOR witnesses Shawn Bradford and Sheryl Hubbard. While Russell Ranch still supports full consolidation, it also supports the Settlement Agreement because it stops a January 1, 2015, rate increase from going into effect and provides much-needed interim rate relief for customers in the Russell Ranch development specifically and the Agua Fria Wastewater District generally until such time as the Arizona Corporation Commission ("Commission") considers the question of full consolidation in a future EPCOR consolidated wastewater division rate case. Ultimately, if the Commission decides against full consolidation, then Russell Ranch supports full deconsolidation of EPCOR's Agua Fria Wastewater District.

2. *Since the Settlement Agreement has your position changed?*

No. As stated above, Russell Ranch supports the Settlement Agreement because it stops a January 1, 2015, rate increase from going into effect and provides much-needed interim rate relief until such time as the Commission considers the question of full consolidation in a future consolidated EPCOR wastewater division rate case.

3. *Do you see the Settlement Agreement as the first step toward your position? Please explain.*

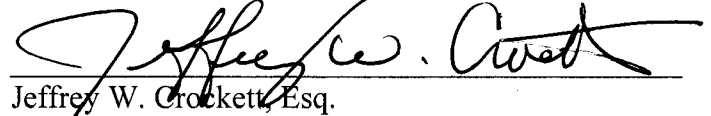
The Settlement Agreement stops a January 1, 2015 rate increase from going into effect and provides much-needed interim rate relief until such time as the Commission addresses the question of full consolidation in a future consolidated EPCOR wastewater division rate case. Russell Ranch continues to support full consolidation.

1 4. *How does the Settlement Agreement advance or hinder the position*
2 *you support?*

3 The residents of Russell Ranch have seen their wastewater bills increase
4 dramatically since deconsolidation of Anthem from the Agua Fria Wastewater District.
5 A typical monthly wastewater bill increased from approximately \$70 in 2012 to
6 approximately \$107 currently, with an additional increase scheduled for January 1, 2015
7 that will take the monthly wastewater charge to approximately \$130. As recently as
8 2007, the typical monthly wastewater charge was around \$38. The Settlement
9 Agreement stops the January 1, 2015 rate increase from going into effect and also
10 provides much-needed interim rate relief until while the Commission considers the
11 question of full consolidation in a future consolidated EPCOR wastewater division rate
12 case.

13 RESPECTFULLY SUBMITTED this 10th day of December, 2014.

14 BROWNSTEIN HYATT FARBER SCHRECK LLP

15 

16 Jeffrey W. Crockett, Esq.

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19 Attorneys for Russell Ranch Homeowners'
20 Association, Inc.

21 **ORIGINAL** and thirteen (13) copies of the
22 foregoing filed this 10th day of December, 2014, with:

23 Docket Control
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27 **COPY** of the foregoing hand-delivered
28 this 10th day of December, 2014, to:

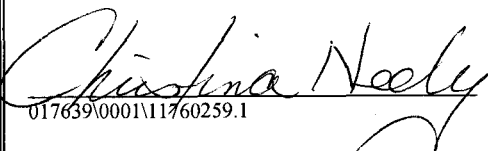
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